

Expanding Financial Access for Underserved Communities Act

Description: Credit unions are committed to expanding access to a trusted, local financial partner at a time when banks are focused on cherry-picking branch locations and then closing those that don't meet stringent profit criteria. America's credit unions support the Expanding Financial Access for Underserved Communities Act.

Outlook over the next few months:

The House version passed the House of Representatives on June 15th by a vote of 215-207 as part of a larger financial services package, H.R. 2543. House Financial Services Committee Chairwoman Maxine Waters as well as National Credit Union Administration Board Chairman Todd Harper both expressed strong support for this legislation. This bill now awaits action in the Senate.

We expect a Senate companion bill to be introduced this fall.

Talking Points:

- The Expanding Financial Access for Underserved Communities Act is a market-based solution that would make three changes to the Federal Credit Union Act to enable and encourage credit unions to serve underserved and abandoned communities and promote financial inclusion to all at no cost to the taxpayer.
 - **First:** the legislation would allow all federal credit unions to add underserved areas to their field of membership.
 - **Second:** the legislation exempts business loans made by credit unions to businesses in underserved areas from the credit union member business lending cap.
 - **Third:** the legislation defines an underserved area as any area that meets one of three criteria: (1) Community Development Financial Institution (CDFI) Area; (2) New Markets Tax Credit Area; or any other area that is not within 10 miles of a branch of a depository institution.
- This legislation is designed to address the epidemic of rural banking deserts and ensure the availability of cooperative financial services for all.
- Credit Unions are doing their part to serve underserved communities and this legislation would provide the expanded tools necessary to advance that mission.
 - CUNA research shows that since 2004, nearly 7,000 bank branches were closed nationally. The National Community Reinvestment Coalition identifies 86 individual banking deserts that have been created by the net shuttering of those bank branches. But credit unions reflect a solid commitment to serving local communities – opening a net of more than 1,400 branches during that period and expanding access to affordable financial services.

CUNA Subject Matter Expert: Abby Truhart and Abby Gunderson-Schwarz

Letters we've sent:

- [June 15, 2022](#) - CUNA wrote to Speaker Pelosi and Minority Leader McCarthy regarding H.R. 2543, the Federal Reserve Racial and Economic Equity Act. We strongly support the Expanding Financial Access for Underserved Communities Act and thank you for its inclusion.
- [May 16, 2022](#) - CUNA wrote to Chairwoman Waters and Ranking Member McHenry prior to the legislative mark-up scheduled to start on May 17th. The letter reiterates strong support for H.R. 7003, the Expanding Financial Access for Underserved Communities Act.
 - o [AACUC](#), [Inclusiv](#), [NLCUP](#), [DCUC](#), and [Cooperatives](#) from across the country also wrote in support of H.R. 7003.
- [March 15, 2022](#) - CUNA wrote to the leadership of the House Financial Services Committee in response to the American Banker Association letter regarding Field of Membership.
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- [June 8, 2021](#) - CUNA wrote to Chairwoman Waters and Ranking Member McHenry in support of the Expanding Financial Access for Underserved Communities Act.
- [May 18, 2021](#) - CUNA wrote to the House Financial Services Committee prior to the hearing entitled: "Oversight of Prudential Regulators: Ensuring the Safety, Soundness, Diversity, and Accountability of Depository Institutions."
- [April 20, 2021](#) - CUNA wrote to Chairman Brown and Ranking Member Toomey prior to the Senate Banking Committee's hearing re: "An Economy that Works For Everyone: Investing in Rural Communities."
- [April 14, 2021](#) - CUNA wrote to Chairman Perlmutter and Ranking Member Luetkemeyer prior to the Subcommittee's hearing entitled, "Banking Innovation or Regulatory Evasion? Exploring Trends in Financial Institution Charters."